



## **IRISH LIFE WEEKLY INVESTMENT BULLETIN**

***The week that was – WEEK 24 (ending 10/06/2016)***

**“Silence is golden when you can't think of a good answer.” – Muhammad Ali**

**Irish annualised inflation back to 0% in May** – Latest figures released by the Central Statistics Office (CSO) show that consumer prices rose 0% from May 2015 to May 2016, following a 0.1% fall between April 2015 and April 2016. This marks the fourth straight month of no growth in inflation despite expectations to the contrary.

**Eurozone growth revised upwards** – Eurostat reported that economic growth in the eurozone was revised higher in the first quarter, up to 0.6% from the previous 0.5% reading. On an annualized basis, growth grew by 1.7%. That's the fastest rate in 12 months. Inflation, however, remains far below the ECB's target of near 2%.

**Global stock market down 0.7% for the week** – Markets moved lower over the week, with the MSCI AC World Index down 0.7% from 3<sup>rd</sup> to 10<sup>th</sup> June in local currency terms. The U.S. and Emerging stock markets were the least affected, both being down 0.1%, whereas the Eurozone stock market had a 2.8% fall.

**German, U.K. and Japanese bond yields hit historic lows** – Record low 10-year bond yields were recorded in Germany, Japan and the United Kingdom as the U.S. Federal Reserve backed away from an expected summer rate rise and continued uncertainty regarding the result of the Brexit referendum worried markets.

**U.K. exports and industrial output grows strongly** – The Office for National Statistics (ONS) reported that goods exports volumes climbed by 11.2% in April, the biggest monthly increase since records began in 1998. They also reported that industrial output increased by 2.0% in April, the biggest rise since July 2012.

**Swiss reject universal income** – Switzerland's referendum on a universal basic income took place but was soundly defeated at the polls by a margin of 77% to 23%. The basic income idea was that adults would receive 2,500 Swiss francs a month and each child 625 and that this would replace social welfare payments.

**The Story of the week:** The Bunyadi restaurant opened its doors for the first time and already has 44,000 people on its waiting list. It is London's first nude restaurant and describes itself as offering an entirely natural eating experience, free from the trappings of modern life including phones, electric lights and clothing. No fire alarms going off hopefully.

### **DISCLOSURE:-**

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## Index Performances and Market Data\*

<b>Equity Markets % (in Local Currency)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD (to 10/06)</b>
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-8.4
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	0.2
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-8.9
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	3.6
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-2.2
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-12.8
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	1.7
MSCI World	-7.6	13.1	26.2	7.7	0.2	-1.7
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
U.S.	1.9	1.7	3.0	2.2	2.2	1.6
German	1.8	1.4	1.9	0.5	0.6	0.0
UK	2.0	1.9	3.0	1.9	1.9	1.2
Japan	1.0	0.7	0.7	0.3	0.2	-0.2
Ireland	8.4	4.5	3.4	1.3	1.1	0.7
Italy	7.1	4.6	4.1	2.1	1.6	1.4
Greece	31.7	12.7	8.2	9.6	7.9	7.6
Portugal	13.4	6.9	6.1	2.7	2.5	3.2
Spain	5.1	5.4	4.1	1.6	1.7	1.5
<b>Central Bank Rates (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
<b>Foreign Exchange Rates</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.12
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.79
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.42
<b>IPD All Property Return (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Ireland	-2.4	3.1	12.7	40.1	25.0	2.9 (to end of Q1)
U.K.	8.1	2.7	10.7	17.8	13.1	1.1 (to end of Q1)
U.S.	14.5	5.3	11.4	11.2	12.1	2.1 (to end of Q1)

\*Past performance is not a reliable guide to future performance